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UNCLAS DOHA 00388

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INFO: RSO DAO PAO RAO DCM FCS AMB

DISSEMINATION: P/E /2
CHARGE: PROG

APPROVED: DCM:MRATNEY
DRAFTED: P/E:GSTRANDEMO
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FM AMEMBASSY DOHA
TO RUEHHH/OPEC COLLECTIVE
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UNCLAS SECTION 01 OF 02 DOHA 000388

SIPDIS

E.O. 12958: N/A
TAGS: [EPET](#) [ECON](#) [PGOV](#) [QA](#)
SUBJECT: LAUNCH OF RASGAS TRAIN 5 MAKES QATAR WORLD'S LARGEST LNG PRODUCER

¶1. Summary. Qatar recently launched RasGas Train 5, the world's largest liquefied natural gas (LNG) production facility. The start-up of Train 5, which will produce 4.7 million tons of LNG per annum (mtpa), will increase Qatar's total LNG production capacity to approximately 30.7 mtpa, making it the world's largest LNG producer. End Summary.

RasGas Train 5 Makes Qatar World's Largest LNG producer

¶2. On March 21, 2007, Amir Sheikh Hamad bin Khalifa Al-Thani inaugurated the USD 1.7 billion RasGas Train 5 at Ras Laffan Industrial City. The start-up of Train 5, which will produce 4.7 mtpa of LNG, will increase Qatar's total LNG production capacity to approximately 30.7 mtpa, making it the world's largest LNG producer.

¶3. With Train 5 going online, Qatar's total LNG output of 30.7 mtpa will be produced from eight trains. Qatargas has three LNG trains, each having an annual production capacity of 3.3 mtpa, and totaling approximately 9.9 mtpa. RasGas Trains 1 and 2 each have an annual production capacity of 3.3 mtpa, while Trains 3, 4 and 5 each produce 4.7 mtpa, totaling 20.7 mtpa. Together Trains 3, 4 and 5 represent one of the largest and most innovative LNG developments ever completed.

¶4. The Train 5 project cost approximately USD 1.7 billion, which includes both the onshore and offshore components. Nine wells have been dug as part of the Train 5 project, bringing to 90 the amount of wells that RasGas has dug. Train 5 was completed in 27 months, 3 months ahead of schedule, with an outstanding safety record. The EPC start date for the project was June 30, 2004. EPC completion was declared on October 25, 2006, and Train 5 brought on stream on November 22, 2006. Train 5 is the fastest train of its size ever to be constructed.

¶ 15. RasGas expansion of Trains 3 through Train 7 is projected to cost USD 14 billion. Including other investments made in Trains 1 and 2, Qatar Petroleum and ExxonMobil will invest a total of approximately USD 20 billion in RasGas.

One-Third of World LNG Supply by 2010

¶ 16. Train 5 will bring RasGas total output to nearly 21 mtpa. RasGas total output will increase to approximately 36.6 mtpa when Trains 6 and 7 come on stream. This will coincide with Qatar Petroleum's plan to reach a production capacity of 77 mtpa by 2010. At that stage, Qatar will account for fully one-third of the projected world LNG supply.

Train 5 LNG Destined for Europe

¶ 17. The majority of LNG output from Train 5 will head to European markets, with Distrigas, Zeebrugge terminal in Belgium being the main recipient. From there it will be shipped to customers across Europe. The Zeebrugge facility is already fully operational, having exported some 10 cargoes to Europe so far. LNG output from Train 5 will head to European markets, with Distrigas of Belgium being one of the recipients. The Distrigas facility is already fully operational, having exported some 10 cargoes to Europe so far.

Qatar LNG to U.S. in 2009

¶ 18. In 2008, RasGas will begin supplying LNG to the Chinese Petroleum Corporation in Taiwan, and in 2009 to the Golden Pass terminal in Texas, assuming CFIUS approval of the project. To fulfill these contracts, RasGas has begun construction of Trains 6 and 7, both with a production capacity of 7.8 mtpa, or 17.6 mtpa total. Train 6 is due to come on stream in 2008, and Train 7 in 2009.

Condensate, Butane and Propane

¶ 19. Besides LNG, Train 5 also produces 32,000 barrels per day of gas condensate, a high quality crude oil, and 14,000 barrels per day of butane and propane. RasGas continues its development with Trains 6 and 7 with a production capacity of 7.8 mtpa each currently under construction and slated for completion in 2008 and 2009 respectively.

DLM Technology Reduces Nitrous Oxide Emissions

¶ 10. Train 5 is the first LNG facility in Qatar to use Dry Low Nox (DLM) technology that significantly reduces nitrous oxide emissions. All future LNG trains will also be equipped with the DLN system.

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